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Volume 8

MILK MARKET INFORMATION
CHATTANOOGA, TENNESSEE MARKETING AREA
May 1964

Number 10

Released Pursuant to §1090.27 (j) and §1090.85, USDA-AMS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator



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JUN 17 1964

DRINK MORE MILK



CURRENT SERIAL RECORDS

MARKET SUMMARY MAY 1964

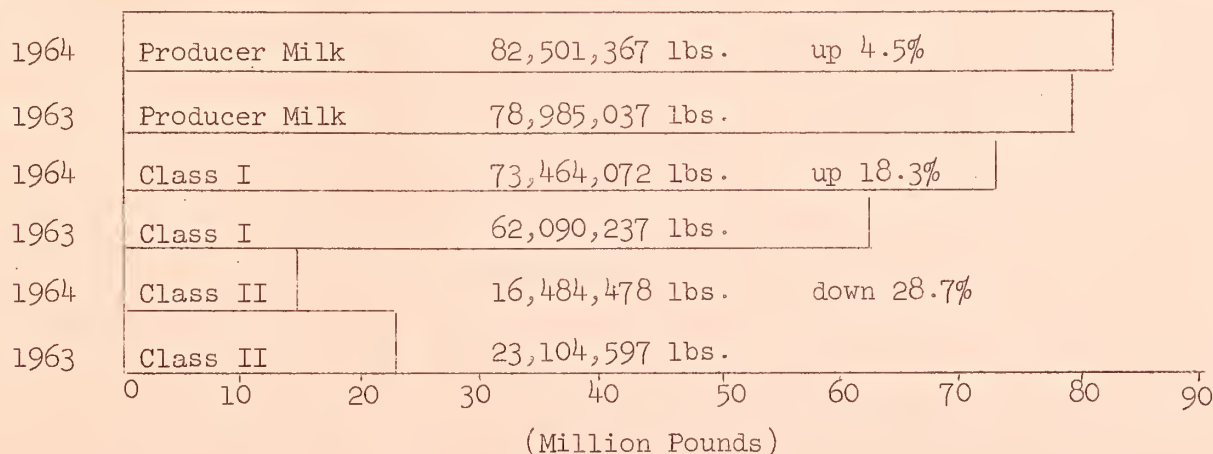
The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 3.5% are: Base Milk \$4.89, Excess Milk \$2.62. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 3.5%.

During May 82.8% of the total producer milk was priced in Class I at \$5.07 per cwt. with a butterfat differential of 7.5 cents and 17.2% priced in Class II at \$2.66 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 83.2% and 74.9% respectively. Base milk was 89.0% and excess milk was 11.0% of the total producer deliveries. All excess milk and 6.9% of base milk was priced in Class II and 93.1% of base milk was priced in Class I.

The daily average deliveries of producer milk during May increased 0.4% compared with April and decreased 0.5% compared with May 1963. The daily average use of Class I milk decreased 4.1% compared with April and increased 9.7% compared with May 1963. The daily average base delivered was 93.2% of the established base.

MILK SAMPLES TESTED - Producer Fresh Samples 5,280 - Handler Finished Products 212.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION
(JANUARY THRU MAY)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% May 1964 Over May 1963	May 1964	April 1964	May 1963
Number of Plants (Pool and Non-Pool)		13	13	16
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Deliveries - Base	- 3.4	497,039	499,659	514,672
- Excess	+32.4	61,505	56,481	46,450
- Total	- 0.5	558,544	556,140	561,122
Other Source	- 1.7	15,850	14,020	16,130
Other Order	+61.6	50,228	41,695	31,087
Total Milk Receipts	+ 2.7	624,622	611,855	608,339
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	+11.2	382,089	401,811	343,459
Fluid Skim	+20.4	23,889	24,512	19,849
Buttermilk	- 1.7	43,991	43,118	44,755
Flavored Milk and Drink	+ 3.0	11,897	11,646	11,555
Fluid Cream (Sweet & Sour)	- 5.3	2,975	2,855	3,140
Bulk to Non-Handlers	-54.9	688	582	1,526
Shrinkage Class I		958	2,192	1,832
Other		(80)	(343)	(884)
Total Class I Milk	+ 9.7	466,407	486,373	425,232
Class II Uses:				
Butter	-74.3	1,713	553	6,660
Cottage Cheese	+13.6	23,012	23,440	20,265
Powdered and Condensed Milk	-42.6	56,535	39,374	98,540
Ice Cream	+25.8	59,787	43,027	47,544
Stockfeed	+20.9	5,843	5,015	4,834
Shrinkage Class II		9,768	9,721	9,474
Other		1,557	4,352	(4,210)
Total Class II Milk	-13.6	158,215	125,482	183,107
Total Class I Pounds in Area	+ 5.6	283,802	289,172	268,836
Total Class I Pounds Outside Area	+16.8	182,605	197,201	156,396
Gross Class I Butterfat Pounds	+10.2	16,607	17,339	15,072
Gross Class II Butterfat Pounds	-15.4	7,388	6,752	8,730
Total Butterfat Pounds	+ 0.8	23,995	24,091	23,802
% Producer Milk of Gross Class I		119.8	114.3	132.0
% Producer Milk priced in Class I		82.8	86.8	74.7

JUNE 1964 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	June '64	May '64	June '63
Basic Formula	\$3.12	\$3.12	\$3.07
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.32	0.20	-0-
Class I Price, 3.5% Butterfat	\$5.19	\$5.07	\$4.82
Per \$ 1090.51 (a)			

Supply-Demand Comparison: 1st and 2nd preceding months: April and May

Supply: Lbs. Producer Milk (Apr. 16,684,200 and May 17,314,852) 33,999,052

Demand: Lbs. Net Class I Milk (Apr. 14,484,673 and May 14,347,231) 28,831,904

Utilization Percentage: Producer milk divided by Class I 118

Standard Utilization Percentage: Range 134-138 134

Net Deviation Percentage: Utilization minus Standard Utilization minus 16

Supply-Demand Adjustment: 2 cents x 16 percentage points plus \$0.32

Since the supply in relation to the demand is less than the desired standard, the price is increased 32 cents per hundredweight (2 cents x 16 percentage points).

COMPUTATION OF UNIFORM PRODUCER PRICES FOR MAY 1964
Based on 12 plant reports prior to audit (One plant excluded per \$ 1090.72(a))

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	Class %	Milk Pounds	Butterfat Test-%	Cwt.Price @ Test	Value
Gross Class I		13,809,121	3.554		
Less Other Source		113,822	2.401		
Producer Milk Class I	82.4	13,695,299	3.564055	\$5.118041	\$700,931.02
Gross Class II		4,839,235	4.656		
Less Other Source		1,914,791	2.983		
Producer Milk Class II	17.6	2,924,444	5.751726	4.168656	121,910.01
TOTAL PROD. (Cl. I + Cl. II)	100.0	16,619,743	3.949002		822,841.03
Add Fractional Adjustment					0.02
Add Compensatory Payment and Inventory Reclassification Values					30.39
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					7,238.88
TOTAL VALUE AT TEST		16,619,743	3.949002		830,110.32
Less Test Over 3.5% @ 7.2¢ per point		16,619,743	.449002	0.323281	53,728.47
TOTAL PRODUCER MILK VALUE AT 3.5%		16,619,743	3.5		776,381.85
		Pounds	Price 3.5%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,903,574	\$2.66	\$50,635.07	
Total Excess Producer Milk		1,903,574	2.66	50,635.07	
Less Prod.-Settlement Fund Res. @ 4¢		1,903,574	.04		761.43
UNIFORM EXCESS PRICE f.o.b. PLANT - 3.5%		1,903,574	2.62		49,873.64
Value of Base Milk (Total less Excess)		14,716,169	4.931628		725,746.78
Less Producer-Settlement Fund Reserve		14,716,169	.041628		6,126.05
UNIFORM BASE PRICE f.o.b. PLANT - 3.5%		14,716,169	\$4.89		\$719,620.73

MAY 1964 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$4.53	\$2.26	4.0	\$5.25	\$2.98	5.0	\$5.97	\$3.70
3.05	4.566	2.296	4.05	5.286	3.016	5.05	6.006	3.736
3.1	4.602	2.332	4.1	5.322	3.052	5.1	6.042	3.772
3.15	4.638	2.368	4.15	5.358	3.088	5.15	6.078	3.808
3.2	4.674	2.404	4.2	5.394	3.124	5.2	6.114	3.844
3.25	4.71	2.44	4.25	5.43	3.16	5.25	6.15	3.88
3.3	4.746	2.476	4.3	5.466	3.196	5.3	6.186	3.916
3.35	4.782	2.512	4.35	5.502	3.232	5.35	6.222	3.952
3.4	4.818	2.548	4.4	5.538	3.268	5.4	6.258	3.988
3.45	4.854	2.584	4.45	5.574	3.304	5.45	6.294	4.024
3.5	4.89	2.62	4.5	5.61	3.34	5.5	6.33	4.06
3.55	4.926	2.656	4.55	5.646	3.376	5.55	6.366	4.096
3.6	4.962	2.692	4.6	5.682	3.412	5.6	6.402	4.132
3.65	4.998	2.728	4.65	5.718	3.448	5.65	6.438	4.168
3.7	5.034	2.764	4.7	5.754	3.484	5.7	6.474	4.204
3.75	5.07	2.80	4.75	5.79	3.52	5.75	6.51	4.24
3.8	5.106	2.836	4.8	5.826	3.556	5.8	6.546	4.276
3.85	5.142	2.872	4.85	5.862	3.592	5.85	6.582	4.312
3.9	5.178	2.908	4.9	5.898	3.628	5.9	6.618	4.348
3.95	5.214	2.944	4.95	5.934	3.664	5.95	6.654	4.384

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
May '63	\$4.21 ^{2/}	\$4.34	\$2.62	7.2¢	\$4.79	7.5¢	\$2.66	6.7¢
June	4.17 ^{2/}	4.29	2.62	7.2	4.82	7.5	2.66	6.7
July	4.23 ^{2/}	4.39	2.62	7.2	4.83	7.5	2.66	6.7
Aug.	4.26	-	-	7.2	4.72	7.5	2.66	6.7
Sept.	4.30	-	-	7.4	4.61	7.5	3.20	6.9
Oct.	4.42	-	-	7.6	4.63	7.8	3.15	6.7
Nov.	4.69	-	-	7.4	4.88	7.6	3.13	6.7
Dec.	4.62	-	-	7.4	4.97	7.6	3.12	6.7
Jan. '64	4.77	-	-	7.2	4.97	7.5	3.12	6.7
Feb.	4.78	-	-	7.4	4.98	7.5	2.82	6.7
Mar.	4.77 ^{2/}	4.92	2.71	7.4	5.07	7.5	2.75	6.7
Apr.	4.72 ^{2/}	4.97	2.65	7.4	5.08	7.5	2.69	6.7
May	4.63 ^{2/}	4.89	2.62	7.2	5.07	7.5	2.66	6.7
June	-	-	-	-	5.19	7.5	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA	
	4 Tenn.	Butter	4 Tenn.	Chi.92°	Chi.Area	Minn.-Wisc.	
	Milk Mfg.	Powder	Milk Mfg.	Butter	Powders	Mfg.Grade Milk	
			\$-cwt-4%	¢ Lb.	¢ Lb.	\$-cwt-3.5%	
May '63	2.66	3.09	3.000	57.97	13.94	3.07	
June	2.66	3.12	3.000	57.97	14.04	3.08	
July	2.66	3.12	3.000	57.97	14.03	3.09	
Aug.	2.66	3.12	3.000	57.97	14.07	3.10	
Sept.	2.66	3.20	3.000	59.70	14.18	3.12	
Oct.	2.73	3.15	3.070	58.48	14.18	3.15	
Nov.	2.80	3.13	3.138	58.09	14.26	3.16	
Dec.	2.82	3.12	3.150	58.01	14.28	3.16	
Jan. '64	2.82	3.12	3.150	57.97	14.30	3.17	
Feb.	2.82	3.12	3.150	57.97	14.24	3.16	
Mar.	2.75	3.12	3.081	57.97	14.25	3.15	
Apr.	2.69	3.12	3.025	57.97	14.19	3.12	
May	2.66	3.12	3.000	57.97	14.22	3.12	

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}				Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm-----Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	
May '63	16	608,339	425,232	418,915	561,122	514,672	701	800	734	66	4.01
June	16	587,215	386,749	380,119	536,089	494,678	700	766	707	59	3.99
July	14	575,549	393,963	387,683	527,174	479,294	697	756	688	68	3.99
Aug.	14	586,869	430,310	423,917	537,729	-	695	774	-	-	4.00
Sept.	14	593,494	450,863	445,015	559,667	-	694	806	-	-	4.02
Oct.	14	557,444	477,892	471,754	531,484	-	689	771	-	-	4.20
Nov.	14	541,145	477,597	472,618	517,129	-	684	756	-	-	4.29
Dec.	14	554,904	443,411	438,851	519,303	-	683	760	-	-	4.42
Jan. '64	13	568,225	490,701	485,963	532,319	-	683	779	-	-	4.33
Feb.	13	575,791	497,065	491,080	533,574	-	683	781	-	-	4.24
Mar.	13	577,959	477,022	472,706	533,122	498,640	678	786	735	51	4.15
Apr.	13	611,855	486,373	482,479	556,140	499,659	658	845	759	86	4.04
May	13	624,622	466,407	462,735	558,544	497,039	654	854	760	94	3.95

^{1/} Excludes Premiums^{2/} For Statistics^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I

The following pool and non-pool plants filed a report and were subject to Federal Order No. 90 regulation for the period of May 1964:

<u>Pool Plants</u>	<u>Address</u>
Chattanooga Area Milk Producers Association	Chattanooga, Tennessee
The New Grant-Patten Milk Co., Inc.	Chattanooga, Tennessee
Happy Valley Farms, Inc.	Rossville, Georgia
Home Stores, Inc.	Chattanooga, Tennessee
Mayfield Dairy Farms, Inc.	Athens, Tennessee
Ray Moss Farms, Inc.	Chattanooga, Tennessee
Paramount Dairies, Inc.	Dalton, Georgia
Sealtest Foods-Southern Division	Chattanooga, Tennessee

<u>Non-Pool Plants</u>	
Nance Dairy, Inc.	Ringgold, Georgia
French Broad Dairy, Inc.*	Knoxville, Tennessee
Miss Tennessee Dairies, Inc.*	Knoxville, Tennessee
Sealtest Foods-Southern Division*	Knoxville, Tennessee
Stoffell's Dairy, Inc.*	Knoxville, Tennessee

* Regulated pool plants under Knoxville Order No. 101

JUNE DAIRY MONTH

June Dairy Month lost little time blasting its way into orbit early this month. The biggest food promotional event of the year is receiving wide support by state and local milk producer groups, allied interests, national and regional chain stores, independent grocers, distributors, processors and the food service industry.

The dairy industry is observing its 28th Dairy Month promotion, and it appeared to be exceeding that of any previous dairy products promotion. June promotions will bring many ideas for easy summer living with dairy foods.

The U. S. Department of Agriculture is cooperating with the industry as it reaches its period of peak production by featuring milk and dairy products on its list of plentiful foods for June. USDA, through its contacts with the food industry in major marketing centers, the national press, radio and TV outlets, will augment the dairy industry's efforts.

Homemakers will be reminded of the nutritional values and downright goodness of milk and its numerous allied products through newspapers, magazines, radio and television media. They will also receive suggestions of various ways to serve dairy products not only during the month of June, but everyday of the year. The industry will particularly direct its campaign for increased milk and dairy products consumption to teen-agers across the Nation, that ever-growing and dynamic group of youngsters who will become the future homemakers and leaders of America.

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Milk Marketing Orders Division
CHATTANOOGA, TENNESSEE MARKETING AREA
Federal Order No. 90

DAIRY COUNCIL AND AMERICAN DAIRY ASSOCIATION DEDUCTIONS

The Market Administrator received a request dated June 1, 1964, quoted below, from Chattanooga Area Milk Producers Association that all producers supplying milk for the Chattanooga Marketing Area be given an opportunity to continue contributing to the American Dairy Association and Dairy Council.

"Whereas, A determination was made by the Market Administrator in June 1963 that there was no substantial opposition by milk producers to the making of deductions for the support of the Dairy Council and the American Dairy Association in the Chattanooga area, and,

"Whereas, The Chattanooga Area Milk Producers Association, representing a substantial number of milk producers, continues to endorse and commend these programs, and,

"Whereas, The individual milk producer may, by written request, prevent the deductions if he does not desire to cooperate, and,

"Whereas, It is important that all Chattanooga dairymen be offered the opportunity to collectively continue supporting these educational, advertising, merchandising, research and public relations programs,

"Now, Therefore, Be It Resolved, That the Chattanooga Area Milk Producers Association request that the Market Administrator renew or continue the determination that there is no substantial opposition by the milk producers in the Chattanooga area to making deductions for the support of the Dairy Council and American Dairy Association.

"Be It Further Resolved, That if the Market Administrator renews or continues the determination referred to in the preceding paragraph, deductions of 1 cent per hundredweight for Dairy Council and 2 cents per hundredweight for American Dairy Association be continued until further action by the Board."

The Market Administrator has made a review of current producer deductions and the Associations' request. Be these and other means, as in accordance with the Secretary's instructions, it is hereby determined there is no significant opposition by area milk producers to making deductions for the support of these programs.

It is now possible as a result of this determination for Chattanooga Area handlers to cooperate with American Dairy Association and Dairy Council programs by making specific hundredweight deductions (1¢ DC and 2¢ ADA) from payments to milk producers, provided the handler gives each producer advance notice of his intentions to make these deductions for one year beginning July 1964. The producer association and all handlers are advised not to make a deduction if a producer writes requesting that no such deduction be made. My auditors will examine all letters which producers send handlers or the Association regarding these deductions. We will also verify that the proper agency receives all money deducted for its support from producer payments.

/s/ J. B. McCroskey
Market Administrator

Date: June 4, 1964